



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

July 5, 2005

The Honorable Stephen A. Perry
Administrator
General Services Administration
18th & F Streets, NW
Washington, DC 20405

Dear Administrator Perry:

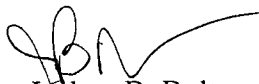
Thank you for your letter requesting an extension of the June 9, 2004 designation granted by the Office of Management and Budget (OMB) to the Administrator of the General Services Administration (GSA) to serve as an executive agent for government-wide acquisitions under existing GSA government-wide information technology (IT) acquisition programs. Your letter also describes new government-wide acquisitions that GSA seeks to operate under new designations. These acquisitions are Alliant, Alliant Small Business, and Veterans Technology Services (VETS).

OMB is extending the June 9, 2004 designation through July 31, 2006, for the government-wide acquisition contracts (GWACs) identified in Enclosure A, with the exception of the Access Certificate for E-Services and Smart Card Contracts, which are subject to shorter extensions, as explained in Enclosure B. OMB is also granting designations for Alliant, Alliant Small Business, and VETS. These GWACs have been added to the list in Enclosure A. All GWACs identified in Enclosure A are subject to existing designation terms and reporting requirements and the additional understandings and clarifications described in Enclosure B. If GSA intends to request an extension of this designation, please submit a request by June 1, 2006, so that OMB will have sufficient time to review the request and make a decision before this designation expires.

In addition, OMB is designating GSA as the executive agent under section 5112(e) of the Clinger-Cohen Act for the government-wide acquisition of authentication and identity management services. OMB expects these vehicles to provide access to products and services that are compliant with Homeland Security Presidential Directive 12 and the e-authentication e-government initiative. Except as may be provided by OMB in future designations, the designation for authentication and identity management shall remain in effect through June 30, 2010. GSA shall ensure that activity under the authentication and identity management designation is documented in accordance with the reporting requirements described in Enclosure B.

OMB looks forward to working with you and the other executive agents to ensure that designations are being used effectively to maximize the value of our taxpayer dollars.

Sincerely,



Joshua B. Bolten
Director

Enclosures

Enclosure A

GSA's Government-wide Acquisition Contracts

1. Access Certificate for E-Services (ACES) Contract

Scope: Facilitates secure on-line access to government information and services by the public through the use of Public Key Infrastructure and digital signature technology. Provides tools and services for identification, authentication, technical non-repudiation, and data integrity for individuals and business entities accessing, retrieving, and submitting information over the Internet.

2. Alliant

Scope: Includes a broad scope of IT services including new and emerging technologies. The scope of support is intended to cover all requirements for IT, including computers, ancillary equipment, software, firmware and similar applications, services (including support services), and related resources. GSA will offer Alliant as a new contract vehicle to provide all federal agencies with solutions, which will simplify, unify, and align IT environments. Alliant will be an MA/IDIQ (multiple award, indefinite delivery, indefinite quantity) contract with a ceiling of \$50 billion and a base period of five years with one five-year option.

3. Alliant Small Business

Scope: Alliant Small Business (SB) is a total small business set-aside. Alliant SB is designed to efficiently and effectively support the federal government's Information Technology (IT) needs in its daily operations, its protection of infrastructure, the fight against terrorism and the development and marketing of emerging technologies. Alliant SB was created to fulfill the IT requirements of GSA and other Federal Agencies, as well as serving the small business community and assisting agencies in meeting their small business goals. Alliant SB is a Multiple Award/Indefinite Delivery Indefinite Quantity (MA/IDIQ) contract with a ceiling of \$15 billion and a base period of five years with one five-year option.

4. Applications and Support for Widely-diverse End User Requirements (ANSWER) Contract

Scope: Provides for services in the following areas: requirements and design research, analysis and definition; system development and software maintenance; facilities planning; technical support; local, wide, and metropolitan area networks (LAN, WAN, MAN) and telecommunications system management support; LAN, WAN, MAN and telecommunications network systems operations support services; electronic input; specialized workstation support; and computer equipment maintenance as well as management support services for business, scientific and engineering applications.

5. Disaster Recovery Services for Federal Computer Systems and Networks Contract*

Scope: Provides computing and communications recovery services to test and refine organizations' contingency plans, and to restore and recover operations in the event of a declared disaster. Recovery services are provided for several platforms including mainframe computer systems; midrange computer systems; and microcomputer systems. Associated consulting services and automated tools are also provided. Other resources include off-site data storage and retrieval data recovery services, mobile recovery facilities, overseas recovery facilities and cleared recovery facilities.

6. 8(a) STARS

Scope: An 8(a) competitive set-aside contract providing agencies with IT services and solutions from certified 8(a) firms. The contract is divided among multiple functional areas, including telecommunications, internet publishing, computer programming, computer systems design, computer facilities management, data processing, hosting, and other related computer services.

7. 8(a) FAST*

Scope: Provides a broad range of high quality, IT, non-complex integration services from 8(a) contractors. These services can range from simple connection of personal computers to peripherals, through construction LANs, up through installation of WANs. Agencies can accomplish anything from partial installations to turnkey installations, including ongoing operations, using commercial-off-the-shelf hardware/software and labor.

8. HUBZone Contracts

Scope: Offers agencies access to competitive firms offering IT services that are also certified as Historically Underutilized Business Zone (HUBZone) contractors. The contract will be divided among multiple functional areas, including internet services, call centers, distance learning, video conferencing, wiring and cabling: network design, computer operations/support, network management, contingency planning, disaster preparedness/recovery and information assurance.

9. Information Technology Omnibus Procurement II

Scope: Provides a wide range of IT services within three functional support areas: information systems engineering, systems operations and management, and information systems security support services.

10. Millennia Contract

Scope: Includes a broad scope of IT services including new and emerging technologies. The scope of support is intended to cover all requirements for IT, including computers, ancillary equipment, software, firmware and similar applications, services (including support services), and related resources. The contract is designed for very large systems integration and software

development projects. General tasks could fall into three functional areas: software engineering; communication; and systems integration.

11. Millennium Lite Contract

Scope: Provides a wide variety of professional IT support services categorized into four functional areas: planning, studies and assessment; high-end IT services; mission support services; and legacy systems migration and new enterprise systems development.

12. Seat Management Services Contract*

Scope: Offers agencies the ability to acquire by the “seat” full service desktop computing resources (e.g., software, hardware, and technical support services) from general to high performance. Seat management services support scientific, engineering and mixed environments. Integrated services and the required components can be acquired. The services offered encompass the management, operation, and maintenance of the desktop, portable desktop servers, communications, printers, peripherals, and their associated network infrastructure and components as a unified service.

13. Smart Card Contract

Scope: Includes the supplies and services necessary to support a common, interoperable, multi-application smart card. The smart ID card will contain information carried on a chip to be used by agencies commonly across applications. The smart card can be used to provide basic visual identification, identification authentication, physical and logical access control, and other value-added features. In addition to the card and accompanying applications, smart card management services and smart card system integration to existing or planned systems can also be ordered.

14. Veterans Technology Services

Scope: Offers agencies access to competitive firms offering IT services that qualify as service-disabled veteran-owned small businesses. The contract will include two primary functional areas: information systems engineering and systems operations and maintenance.

15. Virtual Data Center Contract*

Scope: Provides a full range of primary data processing and support services for hardware and software, including: all essential components and resources to service and maintain data center computing; system back-up and disaster recovery services; operations and systems support; systems and application software support; and migration support and acceptance testing support.

*No new orders are being placed under these GWACs; but monies may be obligated through the exercise of options on existing orders.

**GSA Executive Agent Designation
Additional Provisions**

The executive agent designation granted to the Administrator of GSA is subject to the terms and reporting requirements described in the June 9, 2004 designation and the following additional understandings.

Quality assurance and risk management

OMB seeks to improve interagency contracting practices, including the management of inter-agency contracts. We will look to our executive agents to serve as role models. Accordingly, we request that you develop a quality assurance plan (QAP) that describes how your management infrastructure facilitates cost-effective and responsible contracting under your government-wide acquisition contracts (GWACs). The plan may summarize ongoing management initiatives, such as "Get it Right," but should specifically address the following issues so that executive agents (and other interagency contract managers) may share and easily compare their respective practices.

1. Training of executive agent staff. The plan should describe the training provided to contracting, project, and any other officials of the executive agent that work with customers in developing, placing, and administering orders. The plan should address how training is provided (e.g., coursework, mentoring) and how implementation is tracked.
2. Customer training. The plan should describe the training offered to help customers: (i) decide if use of a GWAC makes sense and (ii) take maximum advantage of the GWAC as an acquisition tool (both for effective and efficient buying). The plan should delineate between mandatory and optional training and any prerequisite skills that customers must demonstrate before being allowed to obligate funds under the GWAC.
3. Order development and placement. The QAP should address the specific management controls (e.g., peer review, legal review, customer agency program review) that are used to ensure orders are properly placed in accordance with applicable laws, regulations, and policies. For example, the plan should address how the agency ensures: (i) orders are within the scope of the GWAC, (ii) competition requirements are followed, (iii) any customer-unique requirements are met, (iv) required justifications are completed, and (v) funding is applied in accordance with appropriation limitations. The plan should identify how each of these issues is addressed for both *direct ordering* and *assisted ordering*, including any established review thresholds.

4. Order implementation. The plan should address how contractor performance is administered. The plan should *clearly delineate both the agency's role and the customer's role in contract administration*, especially for services over \$100,000 and tasks issued on a time and materials basis. For example, the plan should address if the agency requires the customer to assign a contracting officer's representative (COR) to monitor the contractor's performance, and, if so: (i) who designates the COR, (ii) who outlines the COR's duties, and (iii) who ensures the COR has the relevant expertise and training.
5. Management review. The agency should periodically review the effectiveness of the QAP. The plan should explain how effectiveness will be measured and the mechanisms the agency will employ if weaknesses are identified. The plan should also identify the steps the agency has taken, or will take, to establish a performance rating system that provides incentives to contracting officials to exercise due diligence.

Please submit a draft QAP to the Office of Federal Procurement Policy (OFPP) by September 1, 2005. The agency should be prepared to discuss its plan with other executive agents and to make adjustments based on feedback from OMB. The final plan will become a part of any future executive agent designation.

We intend for the final QAPs to serve as models that may be adopted and tailored by other agencies that manage a significant amount of interagency acquisitions. We also plan to work with agencies to develop an appropriate template for a QAP that addresses steps agencies must take as *customers* of GWACs and other interagency contracts. Your insight and input will be welcome in this process.

Best value acquisitions

OMB seeks to ensure that GWACs are shaped to provide the best value to their federal customers. As a reminder, if GSA proposes to award any new GWACs with a ceiling amount of \$25 million or higher, or to re-compete an existing GWAC, under a program covered by this designation, GSA shall submit a business case to OMB at least 60 days prior to the planned issuance of the solicitation for any such GWAC.

OMB will use GSA's business case to help in determining whether the proposed vehicle would provide a valuable alternative for a significant number of federal customers or whether the federal marketplace would be better served through consolidation. OMB will consider, in part, the agency's unique expertise in providing value to customers, the burden to contractors of entering into and maintaining multiple contracts with some degree of overlap versus the benefit to customers of choosing from alternative vehicles, the extent to which the proposed GWAC furthers opportunities for strategic sourcing, and the potential effectiveness of the vehicle in helping agencies achieve socio-economic acquisition goals.

Alliant and Alliant Small Business GWACs

We have reviewed GSA's proposed business case for Alliant and Alliant Small Business. We appreciate the adjustments GSA had made to its plans for the Alliant GWAC, including imposition of a program ceiling that is more reflective of market analysis and sales forecasts, and the proposed establishment of a separate small business GWAC, Alliant Small Business, to leverage the ability of this important segment of our contracting base to provide high quality cost-effective IT services. We understand that Alliant would be a 10-year, \$50-billion GWAC that would be open to small businesses and include aggressive subcontracting goals. We further understand that Alliant Small Business would be a 10-year, \$15 billion GWAC focused on information systems engineering and systems operations and maintenance.

OMB grants GSA's request to serve as an executive agent for the Alliant and Alliant Small Business contracts, subject to the terms and conditions of this designation or any successor designation that OMB may issue, including the following specific understandings:

1. The final solicitation shall not be issued until --
 - a. GSA has conferred with OMB to ensure that any duplication issues involving Alliant and Networkx have been adequately addressed and are consistent with any OMB policy guidance addressing customer use of these vehicles.
 - b. GSA has identified the size standard applicable to the acquisition, briefly explains the rationale for the selection, confirms that it has consulted with the Small Business Administration (SBA), and addresses any issues raised by SBA.
2. GSA's business case states that GSA will review all orders and modifications to ensure good contracting practices, including proper use of competition, performance based contracting, and contract type. We expect that GSA will also take appropriate steps with its customers to ensure appropriate administration of orders, consistent with the QAP developed under this designation.
3. The final solicitation for the Alliant Small Business GWAC should include provisions that provide for the addition of new opportunities for small businesses that were not part of the initial contract award. These opportunities should be provided prior to the five-year renewal period.

Veterans Technology Services (VETS) GWAC

By letter dated May 9, 2005, GSA forwarded a business case to OFPP to support its request to serve as an executive agent for VETS, a \$5 billion dollar, ten-year contract that will be set aside for service disabled veteran-owned small businesses. The GWAC would fulfill GSA's responsibilities under Executive Order 13360, which requires the agency to "establish a

Government-wide Acquisition Contract reserved for participation by service-disabled veteran businesses.”

OMB grants GSA's request for a designation for GSA to serve as executive agent for the VETS contract. This designation is granted with the expectation that contracts under this GWAC will be awarded to the most highly qualified service-disabled veteran owned small businesses. Potential contractors should not be excluded from being GWAC holders based on their lack of experience as a government contractor. The VETS GWAC is subject to the terms and conditions of this designation or any successor designation that OMB may issue.

Authentication and identity management services

Homeland Security Presidential Directive (HSPD) 12 requires the development and agency implementation of a mandatory, government-wide standard for secure and reliable forms of identification for Federal employees and contractors. All departments and agencies will be directed to acquire products and services that comply with the standard to ensure government-wide interoperability. To ensure effective implementation of this initiative, OMB and GSA have reached the following agreement:

1. GSA will allow its contracts for Access Certificate for E-Services (ACES) to expire on October 31, 2005 and its contracts for Smart Card to expire on May 17, 2006. Accordingly, no new orders will be allowed under these vehicles after these dates. The executive agent designations will lapse with the expiration of these contracts. Existing task orders will be allowed to continue with a migration plan (if applicable).
2. GSA will use its executive agent designation for authentication and identity management services to establish, prior to the termination of the ACES and Smart Card contracts, appropriate acquisition vehicles that agencies across government may access to acquire products and services that meet the authentication and HSPD-12 standards.
3. GSA will ensure, in consultation with OMB, that any remaining obligations placed under the ACES or Smart Card GWACs are consistent with OMB policy guidance regarding agency transition from non-compliant to compliant hardware and software.

Contract activity reporting

OMB will continue to require activity reporting on an annual basis. Accordingly, by December 15, 2005, GSA should submit a report for activities occurring on its GWACs during FY 2004 in accordance with the reporting requirements set forth in OMB's March 28, 2002 and April 1, 2003 letters.